

FY 2010-2011 Proposed Budget

Asheville City Council

May 11, 2010



Budget Goals



- Address structural issues within the city's budget so that Asheville can continue to achieve long-term fiscal stability (*Asheville 2010: A Financial Crossroads*).
- Maintain the current tax rate to support financial stability for Asheville families and businesses.
- Continue to support our workforce as well as the stability of the region's economy by avoiding layoffs, salary cuts, and furloughs.
- Align resources with strategic planning and core services while minimizing service reductions to other areas.

General Fund Overview



- Overall General Fund budget is decreasing by 1.1% compared to FY 2009-10 budget
- Overall staffing level will decrease by the equivalent of 17.26 full-time positions (including frozen positions)
- Budget challenges have presented transformational opportunities – innovation, efficiency, strategic planning

Revenues



- No property tax increase
- 1.5% growth projected in property tax revenue
- Sales tax budget adjusted downward by \$1.0 million
- No fund balance appropriation

Revenue Enhancements:

- Council-approved fee adjustments \$200,000
- Parking Fund Transfer \$225,000
 - Revenue to offset increases in cost of transit service
 - Preserves evening service route

Expenditures



Expenditure reductions:

- Managed savings & re-engineering \$2,293,000
 - Reduction in overtime, temp and contract employment
 - Reduction in travel, training, other line items
- Service reductions \$975,000
 - Reduction in community center hours and 7 part-time positions; no impact on summer programming
 - Reduce brush collection to once per month
 - Reduction in Outside Agency Funding
- Selective hiring freeze \$878,000
- Salary freeze \$340,000
 - Pay supplement at or below area median income
- Healthcare plan adjustments \$300,000

Water Fund



- Cost savings strategies include freezing 3 vacant positions, delaying vehicle purchases, and other line item reductions.
- 5% increase in water rates and the capital improvement fee necessary to continue current operations and meet debt service obligations.
- Even with the rate increase, water revenues will be flat compared to the current year budget.
 - 9% decrease in water consumption
 - 47% decrease in tap/connection fees
- Capital budget includes \$5.6 million for water capital improvement projects.

Other Funds



- Parking Fund includes \$500,000 for a possible debt service payment for a new parking deck on Biltmore Avenue.
- General Fund subsidy to the Transit Fund will be reduced by \$230,000 and replaced by an allocation from Parking Fund revenue and reserves.
 - No reduction in Transit Service levels.
- General Fund subsidy required to balance the Civic Center fund budget will remain essentially unchanged.
- Stormwater fees remain unchanged.
 - Debt will be issued in FY 2010-11 to fund \$2.3 million in major capital stormwater projects.

Other Funds



- General Fund subsidy to the Festivals Fund will be reduced by \$22,000.
 - Staff recommends suspending the Film Festival in 2010 and is exploring the possibility of privatizing the festival in 2011.
- A new Street Cut Utility Fund is being created to streamline and optimize the repair of street cuts needed by utility companies.
 - The city will repair street cuts and charge the utilities companies for the work.
 - Provides a streamlined and cost effective process for utilities; considered a “win-win.”

Capital Projects



Major capital projects and investments:

- Fleet replacement (\$1.7 million)
 - \$1.2 million obtained through financing for a new Fire Aerial Ladder Truck
- Azalea Road project (\$1.9 million)
- Street, sidewalks, and pedestrian safety improvements (\$1.14 million)
- Parks & Recreation improvements (\$535,000)
 - Replacement and repair of parks and recreation center facilities
 - \$75,000 for land/easement acquisitions for greenways
- Civic Center improvements (\$250,000)
 - Improvements to facility's lockers and dressings rooms

Next Steps



- Budget work session May 25
- Budget public hearing May 25
- Budget adoption June 22